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Newlin, Harold V.

An answer to prohibition

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AN ANSWER TO PROHIBITION

By
HAROLD V. NEWLIN

AN ANSWER

TO

PROHIBITION

The Eighteenth Amendment

Section 1.—After one year from the ratification of this article the manufacture, sale, or transportation of intoxicating liquors within, the importation thereof into, or the exportation thereof from the United States and all territory subject to the jurisdiction thereof for beverage purposes is hereby prohibited.

Section 2.—The Congress and the several states shall have concurrent power to enforce this article by appropriate legislation.

"Absolute Prohibition (the 18th Amendment) belies the original and avowed purpose of the law * * * such a purpose was never contemplated, or, if contemplated, was so cleverly hidden and concealed by the proponents of Prohibition as to amount to a deception and a fraud * * * A political monstrosity has been palmed off on the American public."

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HAROLD V. NEWLIN

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INTRODUCTORY

TWELVE years ago Absolute Prohibition was written into the Constitution of the United States. The enforcement of the policy thus inaugurated has been sporadic, uncertain and generally ineffective. Why has Prohibition failed? And, having failed, should the 18th Amendment be repealed or should it be modified or revised? The answer is to be found (1) in the history of temperance legislation, (2) in the objectives and purposes of the 18th Amendment, (3) in the method employed in securing the 18th Amendment, (4) in the psychological effect of the World War, and (5) in the incongruities existing. It is proposed to discuss these subjects in the order mentioned. This will lead logically to a discussion of what can and must be done to remedy the chaotic condition now prevailing, following which a brief statement and analysis of the Bratt System of Governmental Control now in vogue in Sweden and the Anderson Plan proposed by Col. Anderson will be presented.

CHAPTER I

THE HISTORY OF TEMPERANCE LEGISLATION

THE MIDDLE of the Nineteenth Century witnessed a radical change in the social and political life of our people. Within a few decades we had changed from a nation of agriculturists to a great industrial people. Population rapidly increased and large cities sprang into existence overnight. Along with this change and growth, the liquor traffic expanded and developed into a vast commercial enterprise with its ramifications extending into the social and political life of the people. The wayside inn or tavern gave way to the saloon and cafe of city life. The saloon, in its highly commercialized state, became a social viper, an economic parasite and the seat of political corruption. It is a historical fact that the liquor traffic, as exemplified by the saloon, was fraught with such evil potentialities and with such social and political abuses that organized society found it necessary to early subject the business to the strictest governmental regulation and control. Notwithstanding this governmental supervision, the liquor interests became so entrenched, politically, as to be able in many instances to actually dominate and control public policy. The power and influence exercised by the liquor interests in governmental affairs contributed in no small degree to the outlawry of the business. The liquor traffic, in its highly commercialized state, became, in fact and in deed, a menace to the public welfare. Its final outlawry was inevitable.

The agitation for legislation against the liquor

traffic had its inception in the Temperance Reform Movement of the early 50's. This movement met with varied success through a course of years. The saloon had proven to be a stumbling block to temperance reform. It was natural, therefore, that temperance organizations should center their attack upon the legalized liquor traffic. It was natural also that such organizations should espouse legislation to outlaw that traffic. They found a champion in the Prohibition Party. However, the leaders in the fore-ranks of temperance reform as well as the organizers of the Prohibition Party were under no illusion as to the task they were undertaking. They recognized that fundamentally temperance was a matter of education and moral suasion; but it was also contended that regulatory and prohibitory laws were necessary to curb the evil effects of the saloon. Such legislation was not considered to be the cure for intemperance, but only a necessary step in aid of temperance. Moreover, it was well understood, as will hereinafter appear, that prohibitory legislation could not be enforced unless the administrative departments of the government were placed in the hands of a political party committed to the principle of prohibition.

Accordingly, the Prohibition Party was organized in 1869 for the avowed purpose of outlawing the liquor traffic. In its first platform, it is stated that the outlawry of the commercialized liquor traffic was the "dominant", "paramount" issue; the fundamental principle of the party. In fact, the platform comprises but the one issue.

And so the war upon the private liquor traffic began and was continued unremittingly by the Prohibition Party and allied temperance organizations for over half a century. At every party convention and

in every party platform, it was unequivocally stated that the purpose of national prohibition was to suppress the legalized liquor traffic. To illustrate: The chairman of the National Committee of the Prohibition Party, at its convention in 1880, declared:

> "The drink traffic exists only by the power of civil law. . . . The traffic in these drinks is *an illegitimate branch of commerce,* and the law should so declare it. . . . To secure these ends, the legislative, executive and judicial departments of government must be in the hands of those favorable to such policy."

At the party's convention in 1900, the chairman used these words:

> "We will work for the overthrow of the legalized dram shop in America. We intend that the American saloon should be outlawed. On that account we have withdrawn ourselves from the other political parties, and have banded ourselves together as prohibitionists."

> "We find that the most powerful force today dictating and controlling the public policy of the nation is the organized liquor traffic."

In the platform of 1912, it is stated:

> "The alcoholic drink traffic is wrong. To destroy such a traffic, there must be elected to power a political party which will administer the government from the standpoint that *the alcoholic drink traffic is a crime and not a business.* And we pledge that *the manufacture, importation, exportation, transportation and sale of alcoholic beverages shall be prohibited."*

The platform of 1916 states:

"We denounce the traffic in intoxicating liquors. We believe in its abolition. It should be a crime . . . not a business . . . and ought not to have governmental sanction. . . ."

"We demand—and if given power, we will effectuate the demand—that the *manufacture, importation, exportation, transportation and sale of alcoholic liquors for beverage purposes shall be prohibited.*"

It is thus seen that the express purpose and object so consistently championed throughout the years by the leaders and proponents of temperance and emblazoned in the platforms of the Prohibition Party is not only illuminating—it is conclusive. The declaration of the platform last cited was made on the eve of the proposal by Congress and the submission to the states of the 18th Amendment. A legalized, going business was to be de-legalized—outlawed. This was to be consummated (1) by a constitutional amendment, prohibiting "the manufacture, importation, exportation, transportation and sale of alcoholic liquors for beverage purposes." (Mark the words and phraseology! They are identical with those incorporated in the 18th Amendment), and (2) by putting the legislative, executive and judicial departments of the government in the hands of a political party committed to the policy of national prohibition.

As a political party issue, however, national prohibition received only nominal support at the hands of the electorate. In fact, the party's vote has always been a negligible one. The largest vote cast in any presidential campaign for the prohibition ticket was that in the year 1893, in which the party polled 270,000 odd votes, or less than 2 per cent of the total popular vote cast. It is admitted by prohibitionists

that even this comparatively small and almost insignificant vote was due in a large measure to the personal popularity of the party's candidate for that year. The Prohibition Party never received the electoral votes of a single state in any one presidenital election. In the year 1912, the party did not even consider it worth while to place a national ticket in the field. In the presidential campaign of 1916, immediately preceding the adoption of the 18th Amendment, the party's strength was just 220,506, or 1.1 per cent of the total vote cast. An analysis of the total popular vote cast in the presidential elections from 1896 to 1928, inclusive, shows that the Prohibition Party received less than 2 per cent of the total votes in any presidential year. To those who are seeking an expression of the popular will by way of a referendum upon the subject of prohibition, here is conclusive evidence of the sentiments of the voters extending over a period of fifty years. Moreover, this expression by the voters was procured by the only legalized method devised under our system of government. Such being the will of the electorate, how then did it happen that 98 per cent of the electorate were over-ruled? Had something gone haywire in our system of registering the public will? Were our representatives in Congress and in the several state legislatures frightened, coerced, stampeded or deceived; and, if so, how and by what? But that is another chapter in our story to which we will presently refer.

Suffice to say the failure of prohibition at the polls as a "dominant", "paramount" issue was evidently due to the fact that our electorate have never been convinced that national prohibition was a proper subject for legislation or that such legislation would remedy the evils complained of. Prohibition had always been associated with the temperance cause; its

very roots were imbedded in the temperance reform movement; and, inasmuch as temperance is a matter of personal discipline, voluntarily applied, such legislation was generally considered by the electorate as a matter wholly without the domain of civil government. In short, prohibition was associated with ethics, religion and personal morality.

Strict regulatory laws, together with city, county and state option, however, were procured in many of the states irrespective of party policy or alignment. These laws were brought about through the educational efforts and moral influence of allied temperance organizations. They are mostly credited, however, to the work of the Anti-Saloon League. In the year 1893, the Anti-Saloon League took up the work of the temperance cause; its avowed object and purpose is set forth in article II of its constitution, to-wit:

> "The object of this League is the extermination of the *beverage liquor traffic*... The League pledges itself to avoid affiliation with any political party, as such, and to maintain an attitude of strict neutrality in all questions of public policy not directly and immediately concerned with the traffic in strong drink."

The immediate objective of the league, as its name implies, was the abolition of the licensed saloon—the ultimate purpose, the abolition of the liquor business. This was to be accomplished through the enactment of local option laws, applicable to towns, cities and counties; and, finally, when the "dry"sentiment became sufficiently strong, prohibitory legislation was extended to the state at large. By 1913 the Anti-Saloon League had become a potent power in state and national politics. Throughout its political career, it has adopted a so-called "omni-partisan plan" endorsing only those candidates for office, irrespective of political affiliations or party alignment, who were pledged in advance to vote against the saloon or the liquor interests, or, in other words, to vote for the temperance measures advocated by the Anti-Saloon League. The league played the game of practical politics; it filibustered and it compromised; the end justified the means. If a whole loaf was not secured, it was content for the moment to secure half a loaf. Fanaticism for a cause or measure was never more manifest than that shown by the organized propaganda of this organization. Suffice to say, the omni-partisan plan aided by fortuitious circumstances and conditions proved successful, for it must be conceded that without the organized efforts of the league, the 18th Amendment would not have been enacted.

CHAPTER II

THE OBJECTIVES AND PURPOSES OF THE EIGHTEENTH AMENDMENT

WE HAVE seen that the Prohibition Party, the Anti-Saloon League and all like temperance organizations espoused legislation directed solely to the outlawry of the licensed saloon and the commercialized liquor traffic; and that this was to be accomplished through the adoption of a constitutional amendment couched in language identical with that embodied in the 18th Amendment. The words and phraseology of the 18th Amendment are themselves indicative of this expressed purpose, for it will be noted that the words "manufacture," "sale," "transportation," "exportation" and "importation," are all commercial terms in common use in business transactions. This expressed purpose is consistent with the historical antecedents of Prohibition heretofore mentioned. The commercialized liquor traffic and the licensed saloon were obviously the source of supply—the citadels of intemperance and the centers of social and civic corruption. From the standpoint of temperance, therefore, the liquor traffic and the saloon constituted a formidable obstacle which must be overcome. Prohibition was to remove this obstacle; nothing more:—this indeed was the sole objective. It was not claimed that Prohibition would prove a "cure-all"; as stated in the Prohibition Party platform of 1916, it was but a "necessary step in the solution of the liquor problem." In brief, Prohibition, as thus promulgated, was to aid the cause of temperance, not to

cure *in*temperance. What further steps were to be taken—what other and additional legislation, if any, would be found necessary in order to assure a solution of the liquor problem never occurred to the proponents and adherents of Prohibition. It is quite probable that none was contemplated or considered necessary. At least, none were announced as a part of the Prohibition program. It was sincerely believed and taught that with the abolition of the saloon and the liquor traffic, a new political dispensation would be ushered in. What a rude awakening was in store for the sincere but deluded followers of the cause of Prohibition!

But the disappointment experienced by the devotees of Prohibition is not to be compared with the resentment and indignation aroused among the electorate generally when they found that they had been deceived, wittingly or otherwise, in the real purpose of the law. For it was found that Prohibition consummated in contradistinction to Prohibition proposed is a horse of another color: that instead of an efficacious rule of conduct, a monstrosity had been palmed off on the American public.

There is an ulterior purpose unexpressed in the 18th Amendment which arises from its operative effect. For instance, it is quite patent that if the "manufacture and sale" of intoxicating beverages is totally suppressed, it will follow, of course, that no intoxicating beverages shall be available for use. In other words, if the law is effectively enforced, absolute prohibition will have been achieved, resulting in enforced total-abstention. The net result, however, of attempted enforcement has rendered the expressed purpose of the law nugatory in that it has not stopped but only transferred the sources of supply to illicit avenues of trade, thus stultifying the claims of those

who had advocated Prohibition as the method of control. This is disappointing enough; but the most serious indictment of Prohibition arises not from its failure to suppress the liquor traffic, but in its departure from the avowed and expressed purpose of the law itself. For it is quite evident that if the sole purpose of the law was to suppress the commercialized liquor traffic, *and that only*, then the unexpressed ultimate purpose arising from the law's operation cannot be justified. Such a purpose was never contemplated, or, if contemplated, was so cleverly hidden and concealed by the proponents of Prohibition as to amount to "a deception and a fraud." In fact, absolute prohibition or total abstention belie the original and avowed purpose of the law. It is not a step in furtherance of temperance, but is the very antithesis of temperance. Temperance signifies habitual moderation while absolute prohibition means total prevention. One is voluntary, the other involuntary; one is self-imposed, the other arbitrarily imposed by law. Absolute prohibition is considered by many normally law-abiding citizens as involving matters purely personal and wholly without the domain of civil government. It runs counter to a basic principle in human nature, namely, that men can be persuaded, but never coerced; led, but never driven. There can be only one justification for such a radical departure from the originally professed and avowed purpose of the law, namely, that in absolute prohibition we have finally found *the* solution of the liquor problem. In the light of our experience, however, it would be the height of folly to so contend.

D. Leigh Colvin, in his authorized "History of Prohibition," published in 1926, states: "Prohibition is not a sumptuary law." The Honorable Garrit Smith, an early and leading exponent of Prohibition,

declared most emphatically that the Prohibition Party was opposed to sumptuary legislation. In opposition to the policy of Prohibition, the Democratic Party in its platform of 1896 declared that it was opposed to all sumptuary legislation. Now what is a sumptuary law? And is the 18th Amendment sumptuary legislation? The law books have defined it as "one restricting expenditure in food, drink, etc." We have heretofore noted that the ultimate purpose and operative effect of the 18th Amendment is to totally prevent the use of intoxicants as a beverage. It would follow, then, that if the law is rendered effective, the use of intoxicating liquors would be by law restricted to non-beverage purposes. The Volstead Act, in furtherance of this objective, has particularly circumscribed the uses to which intoxicating beverages may be applied, to-wit: medicinal and sacramental purposes only. Expenditure, therefore, is limited and restricted to the purposes mentioned. And so it would appear that while the letter of the 18th Amendment may not make it a sumptuary law, the operative effect does. In view of the foregoing facts, it is pertinent to inquire whether the exponents of Prohibition were stupidly ignorant of the ultimate purpose of the law or whether they intentionally meant to deceive the public. But whether conceived in ignorance or promulgated by deception, or both, the fact remains that the ultimate and operative effect of the 18th Amendment has stultified the grandiose claims of the Prohibitionists. It ought to have been patent to the proponents of national Prohibition that such ubiquitous legislation would prove abortive.

CHAPTER III

THE METHOD EMPLOYED IN SECURING THE EIGHTEENTH AMENDMENT

THE ANTI-SALOON LEAGUE became impatient with the slower processes of the temperance reformers and even quarreled with the political party methods of the Prohibition Party. They had a patent all their own in the Omni-Partisan Plan heretofore mentioned. This plan, seemingly, opened an easier method of accomplishing the outlawry of the saloon and eventually the liquor traffic. But as we will hereafter point out, the plan thus devised is foreign to our political party-system of government; and, while legislation may sometimes be thus attained, the law itself may remain dormant or even be nullified for want of public support. In this connection, it must be borne in mind that the 18th Amendment is not self-executing. In other words, it requires legislation by Congress to put it into force and effect. This was accomplished by the enactment of the Volstead Act and other supplementary "enforcement" acts. Without such legislation, the 18th Amendment would remain but a mere declaration of a principle or policy to be pursued by the government in respect to the liquor traffic. But even with the enactment of an "enforcement" law, it does not follow that such a policy will be pursued, or, if pursued, rendered effective. Its effectiveness is dependent in the last analysis upon the force of public opinion or support. Indeed, public opinion may become so adverse to the enforcement of the policy of the law as to force repeal of the en-

forcement acts, in which event, of course, the law is nullified. A notable historical instance in which a Constitutional amendment was thus rendered ineffective may be cited in the virtual nullification of the 15th and parts of the 14th Amendments to the Constitution. These amendments arose out of the Civil War. After the heat and passions of the war had subsided, both North and South joined in a repeal of the obnoxious features of these amendments by the repeal by Congress of the so-called "Force Acts," analogous to the Volstead Law and its amendments. Such repeal was tantamount to a nullification of the 14th and 15th Amendments. This is Congressional nullification in contradistinction to nullification by the states, reference to which will be made later, and to nullification by the electorate generally through non-observance of the law. The 14th and 15th Amendments were admittedly sectional in their object and purpose; and, although remedial in that they secured to the former slaves the right of citizenship, they were ostensibly and in fact aimed at the disfranchisement of the Southern whites. The result was to place adventurers (carpet-baggers) and the illiterate and recently enfranchised negroes in charge of the governments in the Southern States. Of course, such an intolerable situation could not last or be endured. A virtual state of anarchy existed during the period of reconstruction in the Southern States eventually forcing the Federal authorities to abandon their iniquitous policy by a repeal of the "Force Acts." The 18th Amendment, in contradistinction to the 14th and 15th Amendments, is not sectional but nation-wide in its operation and effect. It is directed at the abolition of a formerly recognized universal right of all the citizens of all the States irrespective of social and racial antecedents. It is all embracing. Its effect,

if enforced, is to penalize those citizens (and their number is legion) who disagree with the policy of absolute prohibition. But like the 14th and 15th Amendments, its attempted enforcement has created a state of anarchy in many of the more populous sections of the country and a general disregard of the law.

It was understood by the proponents of Prohibition and so stated:

> "That such a radical law as prohibition cannot be enforced unless it has the support of a strong political organization in power and that, therefore, it was necessary to put the Prohibition Party in control of the national government to administer the law'; and

It was admitted that:

> "A prohibitory amendment, if secured, is a splendid weapon . . . nothing more; its adoption as a moral victory may be made afterwards a means of the extermination of the liquor traffic."

The Prohibition Party platform for 1916 declared:

> "Only by a political party committed to this purpose can such a policy (i.e., abolition of the liquor traffic) be made effective. We call upon all voters, believing in the destruction of the drink traffic, to place the Prohibition Party in power on this issue, as a necessary step in the solution of the liquor problem."

In conformity with this policy and political philosophy, the Prohibition Party now truthfully maintain that the 18th Amendment is not being enforced because a political party pledged to its enforcement has not been placed in charge of the administrative departments of our government. It is undoubtedly true that our government is, in practice, a government by

parties; that the method of registering the legislative will is through a political party; and that, therefore, in order to effectively enforce a governmental policy such as Prohibition, it is necessary that the administrative departments of the government be placed in charge of a party pledged to that policy. Neither of the major political parties are committed to the policy of absolute prohibition; indeed, if not outrightly opposed, both are hopelessly divided upon the question. Both parties are convinced that public opinion has not and will not approve it; and, not being prepared to commit political suicide, they have constantly refused to endorse it. The present political situation may be likened to a cart without a horse; a motor car without gasoline. We have enacted a law which public opinion will not support and, as a consequence, it cannot be adequately enforced or rendered effective. It is axiomatic that in a democracy such as ours any law can be enforced only to the extent that it reflects or is an expression of the general opinion of the normally law-abiding citizens. Notwithstanding these patent and well-recognized truths, the proponents of national Prohibition, ever since the adoption of the 18th Amendment, have persistently sought and demanded that the major political parties support their pet measure. But why should these major parties endorse the prohibitory program? Prohibition is not their child. Lost, strayed or stolen, it found temporary refuge in the Anti-Saloon League. The league, through its Omni-Partisan Plan, proceeded to foist the child on the body politic, and actually succeeded in doing so; but having done so, the league's political efforts were then exhausted. Abandoned and deserted, per force, by its erstwhile friends, Prohibition now languishes upon the doorstep of strangers, begging for nourishment and support. But the strangers have refused to take it in.

CHAPTER IV

THE PSYCHOLOGICAL EFFECT OF THE WORLD WAR

THAT THE World War proved to be a decisive factor in the adoption of the 18th Amendment cannot be disputed. It was almost certain from the inception of the conflict that America would eventually become involved. For several years prior to our entry, the country was on the very threshold of participating in the conflict. Thinking war, talking war and preparing for war became an obsession. Finally, in 1917, the die was cast. Congress immediately passed a measure prohibiting the manufacture and sale of intoxicants during the war. This war emergency measure was designed to conserve the grain used in the manufacture of malted beverages. The time was opportune for the adherents and advocates of national Prohibition to present their case and the Anti-Saloon League did not fail to take advantage of the "situation and confusion" that then prevailed. Within three months after the declaration of war, the league had proposed to Congress a constitutional amendment for national Prohibition. Within sixteen months thereafter, thirty-six (the requisite three-fourths) of the States had ratified the 18th Amendment.

The report of the Federal Council of Churches states:

> "It is true that the people had little opportunity to pass any judgment on the 18th Amendment at the polls, since ratification of the States

> followed so soon upon the submission of the amendment requiring the remarkable short period from September 18, 1917, to January 13, 1919 (the date when the thirty-sixth state ratified)—*scarcely sixteen months.*"

This undue haste can only be explained (1) by the remarkable efficiency, political power and influence of the Anti-Saloon League and allied temperance organizations; (2) by the want of any organized opposition; and (3) by war phychology.

Because of certain facts and circumstances accompanying the adoption of the 18th Amendment, it has been charged that Prohibition was "put over" upon the American people; that it was secured on false pretenses. The evidence would seem to justify the charge. The organizations sponsoring the 18th Amendment all pleaded that such legislation was necessary to suppress the saloon and the liquor traffic—that had been their battle cry for fifty years! The ultimate purpose — total obstention — was ingenuously kept out of the discussion; it was not debated; indeed, total abstention was not mentioned. The alacrity and adroitness with which the proposed amendment was hastened in its passage through Congress is without a parallel in the history of the government. Congress was engaged with war measures, and in order to conserve the grain (as has been stated), had enacted what is known as "War Prohibition." The nation was going "dry" during the war; why not make the policy a permanent one by the adoption of a constitutional amendment? War time provided the setting and opportunity for radical legislation. Congress, it was urged, should permit the States (twenty-six of which had enacted some form of prohibitory legislation) to pass upon this momen-

tous question. Congress was accordingly persuaded to abdicate its prerogatory in the matter by "passing the buck" to the State. And. anyhow, (so some of our "leading" statesmen argued) was it not the duty of the States, in the final analysis, to decide this vexing question? Congress, thereupon, proceeded to wash its hands of the whole matter. In placing the responsibility upon the legislatures of the various States it must be confessed that Congress had accurately judged for the moment the mood and temperament of the people; but, congressional abnegation in this instance, must, in truth, be ascribed to the stress of war and the militant power and influence of the Anti-Saloon League. Under the peculiar circumstances and conditions then prevailing, the resolution of Congress referring the 18th Amendment to the States was virtually equivalent to an endorsement by the Congress of the law.

The Anti-Saloon League had by 1914 perfected their State organizations. The league had adopted the strategy of the National Brewers' Association, namely, to center its attack on the one issue irrespective of party organizations or alignments. It appealed to the voters at large on the ground that Prohibition was a moral issue and transcended any other issue before the electorate. Like the Crusaders of the Middle Ages, the league was engaged in "A Holy Cause." The liquor traffic must be annihilated. Now it so happened that many of the large breweries and distilleries were owned and operated by citizens of German origin. Many of the brewers were pro-German. Upon our entry into the war the psychological effect upon the public mind was, of course, to associate the liquor business with the enemies of the country. Then again, war-time Prohibition had been enacted by Congress at the time the 18th Amendment

was pending before the several state legislatures for their approval. The effect upon the public mind was to confound the 18th Amendment with war measures and thus it became an act of patriotism to support national Prohibition. Even New York and New Jersey, notoriously "wet" then as now, were carried away in the maelstrom of excitement and hysteria created by the war. There is such a thing as being emotionally drunk. Was not the world to be saved for democracy; why not save the country from the curse of intemperance! How can it be truthfully said that a law enacted under such conditions and circumstances expressed the deliberate will of the electorate?

CHAPTER V

INCONGRUITIES EXISTING

(A.) ARISING Out of the State of Public Opinion.

(1) Prior to the War.

Upon the eve of the World War, twenty-six states had adopted so-called Prohibition laws. The Anti-Saloon League, thereupon, appeared before Congress with the claim that the nation was dry. That this claim was utterly false, then as now, can not be disputed for the truth is that there were but *thirteen* "bone-dry" States. These were Arizona, Arkansas, Colorado, Georgia, Idaho, Kansas, Montana, Nebraska, Oklahoma, Oregon, South Dakota, Utah and Washington. The total area of these thirteen States is 1,119,555 square miles, or 36.9 per cent of the area of the United States. Their total population in 1910 was 13,200,907, or 14.3 per cent of the population of the country. It is true that local option prevailed in many of the states which would lend credence to the claim that such states would eventually become "dry" —by progression, as it were. The remaining thirteen of the twenty-six so-called "Prohibition States" were in reality not dry at all inasmuch as their laws did not aim to prevent the total use of intoxicating beverages but only to abolish the saloon and to place the liquor traffic under strict supervision and control. Some of these States allowed limited amounts of liquor to be imported, while others allowed home-brew and distilling to a limited extent. In other

words, each State had enacted its law to meet the particular local customs and habits of the people of those States. There was no such thing as "uniformity" in liquor legislation among the States, save and except the thirteen States first mentioned. How absurd and ridiculous in view of these facts to claim that the nation was "dry."

This claim of the drys was based upon the false assumption (1) that "legislation" is tantamount to "dryness" and (2) that the policy of Prohibition within the States mentioned had proven to be a success. The evidence to the contrary is so overwhelming that proof would seem superfluous. In fact, as everyone knows, it was the failure of the "dry" States to enforce Prohibition within those States that gave rise to the demand of the allied Temperance organizations that congressional legislation must be enacted to protect and safeguard the policy of control adopted by those States. Hence the Reed Amendment passed by Congress in 1917 which aimed to prevent the shipment of alcoholic beverages into the "dry" States. But even with this congressional aid there is no evidence that the policy of Prohibition within the "dry" States had proven a success for the reason that the experiment in State Prohibition prevailed for a period of but two years (1917 to 1919, inclusive), during all of which time the national war-time Prohibition Law was in effect. Moreover, it was a stock argument and indeed a persuasive one that national Prohibition was necessary to suppress the liquor traffic, thus, if not expressly, at least impliedly admitting that State Prohibition was a failure—as in fact it surely was.

(2) Subsequent to the War.

But, having constitutionally adopted the 18th Amendment, is it not the duty of our citizens to obey

it? As an abstract proposition of law, the answer must be in the affirmative; but, as we have heretofore pointed out, the enactment of a law does not guarantee or necessarily assure its enforcement. A mere legislative enactment is an empty gesture. In other words, a law is not sufficient unto itself. To render it effective, it must have the support of public opinion, which, in turn, must find expression politically through the administrative machinery of the government.

The report of the Federal Council of Churches, published in 1925, states:

> "The fundamental fact is that a large part of our people are unconvinced with reference to the liquor traffic. The trouble is with the people, not with the government."

and concludes with the confession:

> "It is not its (the government's) task to change the minds of the people. Religion, and not government, must do that."

In the light of the foregoing facts and the failure to effectively enforce a policy of absolute prohibition, it would seem to be the act of wisdom to turn our attention to the work of rectifying the mistake we have made. Whether the action so taken, if any, shall be constructive or destructive depends upon an informed and enlightened citizenry, uninfluenced by emotional appeals on the one hand and selfish interests on the other. With all the available facts before them, it ought not to be difficult to reach a rational and practical solution of the problem.

The weakness of the prohibition law, as is now evident, rests in the futility of attempting to apply a rule of rigid conduct . . . total abstention . . . to a

heterogeneous people. The impracticability of such a policy was apparent at all times (as it is today) to the leaders of both the Republican and Democratic Parties. These leaders, including those of the Prohibition Party, realized that absolute prohibition to be successful or effectively enforced would require a reformation in the personal habits and customs of a vast majority of our citizens; even admitting that Prohibition or total abstention is desirable for all men, yet obviously such a principle is primarily a matter of education and not of coercion.

When we recall that intemperance has been the curse of the race from times immemorial, it would seem fatuitous indeed to attempt by legislative fiat to compel mankind to conform their lives to prescribed standards of living or conduct, especially when that standard has its ingredients in the reformation of the personal habits and customs of the individual; and yet that is exactly what Prohibition proposes to do. Centuries of education and moral suasion having failed to overcome the appetite for alcoholic beverages, Prohibition would invoke the powers of government to quench the thirst! Certainly this is to impose a burden upon the civil authorities that is novel indeed!

If the great temperance reform movement had continued to devote and limit its legislative efforts to the overthrow of the legalized liquor traffic, we would have been free, at least, of the incongruous situation in which we now find ourselves. Nevertheless, the citizenry were at first prone to accept what appeared to be the inevitable. It was only after the direful results and effects of attempted enforcement that the citizens at large began to question the wisdom and adequacy of national Prohibition. After experimenting for twelve years, we have not only failed to attain

the avowed or expressed purpose of the law, but, strangely enough, have rendered that objective the more remote. By legal fiat, we have outlawed the liquor traffic, but have not abolished it. Incongruously and paradoxically, we have in effect, actually established the commercialized illicit trade. In the business formerly conducted by the saloon keeper, the brewer and the distiller, we have installed the bootlegger, the gangster and the racketeer. The Omni-Partisanism of the Anti-Saloon League has done its work; and, as usual, the public are paying the bill.

There are indications, if not direct and conclusive evidence, that the national government has reached the conclusion that it is futile to attempt to enforce a policy of absolute prohibition. The prohibition bureau on July 31, 1930, announced that it would now cease "wasting time upon pitiful, picayunish, non-commercial cases," and concentrate its activities against large commercial violations. Now, here is a radical departure from the previous procedure employed and from that actually incumbent upon the government by the law. It is a desperate attempt to prohibit the commercialized illicit trade.

On June 7, 1931, the National Commission on law observance and enforcement made its report in which, among other things, it is stated:

> "Necessity seems to compel the virtual abandonment of efforts for enforcement at this point (i. e., home-brewing and distilling); but it must be recognized that this is done at the price of nullification to that extent. The lofty and mandatory objective of the law . . . total abstention . . . is thus abandoned in deference to public opinion. In order to enforce absolute prohibition,

> it is necessary to call upon an enlightened and vigorous but now long-neglected campaign of education. In other words, we must resort to moral suasion, and not upon a mere fiat of law, to secure total abstenance or absolute prohibition."

Summing up the efforts of the government to enforce the law, the commission thereupon states: "The real problem (of enforcement) is to reach these heads of the unlawful business (i. e. the organized illicit trade). Whatever economic benefits have resulted from the enactment of the 18th Amendment, the Commission are of the opinion that "there is strong and convincing evidence" that these (social and economic) benefits are "directly attributable to the doing away of the saloon. . . ."

(B.) ARISING Out of the Law Itself:

The so-called "Concurrent Clause" (Section II) of the 18th Amendment, provides: "The Congress and the several states shall have concurrent power to enforce this Article by appropriate legislation." In view of the attitude of many of the state legislatures, it would seem more appropriate to designate it "non-concurring clause."

Some construe this clause as imposing upon the states a duty to enforce the law equally with that of the national government within each of their respective jurisdictions. Others hold to the view that no such obligation or duty is imposed, legally or morally, upon the states and that therefore the states are not bound to enact state enforcement laws. The interpretation of the law, however, and the respective duties of the state and federal authorities thereunder have passed the stage of academic discussion. It is its practical and operative effect with which the

nation is concerned. For the fact remains that the states as a whole have not assumed their share of responsibility, and this is notably true in the case of six states which have actually repealed or failed to enact local enforcement laws. The truth is that the 18th Amendment was enacted upon the assumption that the states would "willingly" cooperate. From what source did this assurance come? From the Anti-Saloon League, of course. How credulous, indeed! Necessity has compelled the national government, in attempted administration of the law, to rely upon this erroneous assumption. As a result, the national government has not been able, except in spectacular and sporatic drives, to effectuate any adequate enforcement in the non-cooperative states. The Prohibition Commissioner, testifying before a committee of the House in 1928, stated that it would require $300,000,000 a year to administer the prohibition laws if state cooperation is not received. Attorney General Mitchell confessed in June, 1930, that it was practically impossible for the federal government alone to enforce the law, and the Prohibition Bureau in the same year stated that, in the absence of state assistance, "The burden put upon the federal government is too heavy." The more serious result arising from this incongruous situation is not the failure of Prohibition but the loss of prestige to the national government. Think of it! A confession by the federal authorities that the national government is not able to command obedience and respect for its laws! The inevitable result has followed: it has brought into contempt, by the criminal and lawless, all vested authority; and when, as in the case of prohibition, the law is flaunted on every hand with impunity, anarchy stalks the land. This failure and refusal of the states to cooperate with the national

government has not only rendered national enforcement abortive in those states, but has given rise to the possibility of having as many governmental policies or degrees of enforcement as there are states. Thus enforcement of Prohibition is deprived of that uniformity in its application which is fundamentally essential if the law is to command the respect and obedience which it deserves. It is to be noted, also, that in the adoption of the "Concurrent Clause," we have the first instance in our history in which the impotency of the federal government to alone enforce the law is implied if not expressly admitted by the law itself. It is certainly an anomalous and dangerous situation when the federal government is compelled to acquiesce in the refusal or neglect of the states to aid and assist in rendering effective matters of federal cognizance; and yet that is exactly the situation that confronts us.

CHAPTER VI

THE REMEDY

IT IS manifest from what already has been said that if the 18th Amendment is not to be repealed and the liquor traffic re-established—the electorate must be prepared to adopt some plan or method to eliminate the commercialized illicit trade; for it is evident that, while the 18th Amendment outlawed the commercialized liquor traffic, it did not stop the source of supply.

Many plans have been proposed, but they either ignore essential limitations in our system of government, or are opposed to the lessons of experience, or violate fundamental social or economic principles. A few of the more important of these plans are summarized and the reason for their rejection briefly stated by Henry W. Anderson in his introduction to his plan for national regulation and control, to-wit:

(1.) The Repeal of the 18th Amendment:

"The repeal of the amendment would immediately result in the restoration of the liquor traffic and the saloon as they existed at the time of the adoption of the amendment in those states not having state Prohibition laws. The return of the licensed saloon should not be permitted anywhere in the United States under any conditions."

(2.) State Regulation and State Prohibition:

"For fundamental reasons already discussed state regulation and state Prohibition substantially failed before the adoption of the 18th Amendment. With further improvements in means of transportation, and other social and economic changes which have since taken place, those measures would be even less

effective today. I can see no sound reason for going back to systems which have already failed, and which afford no reasonable probability of future success."

(3.) The Repeal of the National Prohibition Act:

"As to the repeal of the national Prohibition Act (Volstead law), leaving the amendment unchanged, the objections seem equally conclusive. This would be open nullification by Congress of a constitutional provision. The repeal of the law would leave the amendment without any provision for its enforcement. It would remain as a limitation upon the powers of both Congress and the states. No system of regulation or control—except state Prohibition—could be adopted or continued since this would be prohibited by the amendment. The license to the violators of the law and general social confusion which would result are difficult to measure."

(4.) The Sale of Light Wines and Beer:

"The proposal that the law be amended so as to permit the sale of light wine and beer is objectionable both on principle and from a practical standpoint. If the limit of alcoholic content were placed so low that the beverage sold would not be intoxicating in fact it would not satisfy the demand. If it were placed high enough to be intoxicating in fact, it would to that extent be nullification of the amendment. Under this plan we would have saloons for the sale of light wine and beer, and bootlegging as to liquors of higher alcoholic content. We would then have the evils of both systems and the benefits of neither. The opportunities for evasion of the law as to prohibited liquors would be enormously increased. Norway tried a system of prohibition as to liquors of alcoholic content of more than 12 per cent. It failed. There were international complications involved, but chiefly because of the domestic evils resulting from the system, it

has been abandoned and a system similar in principle to that of Sweden (Bratt system) has been substituted."

(5.) National or State Dispensaries:

"The various suggestions as to national or state dispensaries cannot be accepted, for obvious reasons. Whatever may have been the results in other countries, a system of this kind is certainly not adapted to the political conditions or to the dual system of government in the United States. Our past experience with this system has been unfortunate."

As has been previously shown, Prohibition aims to totally prevent the use of alcoholic beverages. The Volstead Act so declares. In view of the state of public opinion, such an attempt is neither practical nor judicious for obvious reasons. Specifically, Prohibition fails to meet social conditions as they are—like the ostrich, it would hide its head in the sand. It fails to recognize the law of supply and demand. That there exists a demand for alcoholic beverages that cannot be ignored is evident everywhere. If this demand is not *legally* supplied, it will be *illegally* supplied. It is being supplied despite the law and, of course, to the extent that such demand exists and is supplied the present law is nullified. We cannot ascribe this nullification alone to the criminal for even if the bootlegger were suppressed, home brewing and distillation of spirits would not be stopped. It is therefore necessary to recognize this demand and supply it legally unless we are content to permit the present chaotic conditions to continue. Under the present policy, this incessant demand for alcoholic stimulants is necessarily supplied through the medium of unlawful organizations or by the individual citizens in his private capacity. This places a premium upon illicit manufacture and trade. Obviously,

then, *to destroy or materially reduce this illicit trade is the real problem to be solved.* This is a national problem and therefore requires a national solution. In order to eliminate the illicit trade, the national government must exercise monopolistic control over the manufacture, sale and distribution of alcoholic beverages and such beverages must be sold to the public without profit (i.e., at net cost) or at such prices with which the bootlegger cannot compete. Under such a plan the economic and commercial elements of competition and profit are removed. With both competition and profit eliminated, the demand for illicit liquor and the incentive for illicit trade will have been destroyed. It is self-evident that the bootlegger will not continue to ply a trade wherein there is no profit.

Such a plan, of course, presupposes and is grounded upon the supposition of the adoption of a constitutional amendment to the 18th Amendment to the effect that the private sale and distribution of alcoholic beverages shall be prohibited and that the national government, through Congress, shall exercise exclusive control over the manufacture, sale and distribution of all intoxicating liquors. The direct and primary purpose of such a plan should be (1) to eliminate the illicit trade; (2) to exercise with the aid of local social and humanitarian agencies, sound judgment in the dispensation of liquor under strict governmental rules and regulations; and (3) to promulgate an educational campaign for sobriety and temperance. The Bratt system and the proposed Anderson plan, hereinafter explained, will prove instructive.

There are those who advocate further experimentation with the present law. These citizens are reminded that three Presidents have solemnly and re-

peatedly adjured the public of the necessity of obeying the law. Appeals have also been made to the states for cooperation. Six states have already refused to cooperate, and have repealed their local enforcement acts. Other states have refused to provide adequate funds for local enforcement; and it appears that the funds available through the national government are wholly inadequate to meet the situation. A governmental commission has made its report, and has found, inter-alia, that the law has failed to enlist the support of public opinion, that non-observance permeates all classes and strata of society, and that an unprecedented saturnalia of crime and political corruption has followed in the wake of Prohibition. In view of these facts, is it safe, is it commendable, is it wise to continue a policy that has brought only ignominy and reproach upon ourselves and our government? Why experiment further with a law which experience and common sense has taught us is not practical of enforcement . . . a law that public opinion will not support? Why not confess and rectify our mistake by a return to sanity and truth? Why not unite our efforts in a practical way to a dissolution of the illicit trade? To those citizens who insist upon outright repeal of the 18th Amendment, we would say that public opinion will never tolerate any proposition involving the re-legalization of the saloon. Moreover, our experience in state regulation and control has proven that method wholly inadequate and unsatisfactory. National uniformity is required, if observance is to be effective. On the other hand, while the liquor traffic as a private, going business is to be abjured, our citizens have not accepted or approved absolute prohibition. *It is the commercialization of the business, whether legal or illicit, that has wrought so much havoc and woe to the social and*

political welfare of our people. Commercialization means profit and profit is the sole incentive to the illicit trade. Remove the profit and you have destroyed that trade. The 18th Amendment, therefore, must be amended or revised to the intent that the commercialized liquor traffic be abolished, not only de jure, but de facto. With such an amendment effected, Congress will be invested with absolute authority to regulate and control the manufacture, sale and distribution of alcoholic beverages. Unless some such constructive measure is adopted, the present impasse will result eventually in complete nullification or, possibly, a repeal of the law.

It would be presumptious, however, to claim that any plan or system devised will prove a solution for the liquor problem. That problem is as old as the race and is complicated by many social and economic factors. The most that any plan or system of control can hope to attain is to remove so far as possible the abuses that arise through the excessive or intemperate use of alcoholic stimulants. It is apprehended, moreover, that basically and primarily the solution of the liquor problem is one of education and not of legislation. When our citizens have by personal abstention abandoned the use of intoxicating beverages, then, of course, the demand for such beverages will have ceased and Prohibition will have become feasible. Coercive measures will then be necessary only to reinforce what already has been attained. But as long as the demand for such beverages continues to be prevalent, that demand cannot be ignored nor denied; it must be supplied. In other words, the economic law of supply and demand cannot be set aside by an arbitrary rule of conduct. Prohibition attempts to do so, and, of course, has failed. In the following chapter the government system of control which has been so successful in Sweden will be explained.

CHAPTER VII

THE BRATT SYSTEM

THE BRATT SYSTEM of liquor control in Sweden is the most outstanding example of the success of governmental control of the manufacture and sale of alcoholic beverages. For the information of those who are not familiar with the principles underlying this plan or system, the following brief statement will be instructive. Incidentally, it may be stated that the so-called Anderson plan, approved by nine members of the National Commission on Law Observance and Enforcement, is based upon the principles of the Bratt system. These principles have been explained by Dr. Ivan Bratt, the originator and exponent of the system, as follows:

1. To set up, under the government, monoplies financed by private capital.
2. To hold the dividends of shareholders down to such a point that there is no incentive to push sales of intoxicants.
3. To reduce, or entirely cut off, the quantity of liquor supplied to those persons who use it with injurious effects, rather than to aim at a horizontal reduction in per capita consumption.
4. To restrict the quantities purchaseable, not by a single-ration system, but on a sliding scale, governed by the consumer's habits, with a maximum of four litres (a little over four and one-fifth quarts) of spirits a month.
5. To keep price levels normal, because the expedient of setting high prices, in order to deter buyers, is considered class discrimination against the poor and also an incentive to illicit traffic.
6. To exercise individual control over consumers and commit certain abusers of alcohol to institutions of rehabilitation.

The following results and benefits following the operation of the Bratt system in Sweden may be summarized as follows:

1. Convictions for drunkenness in all Sweden, per 1,000 inhabitants, has been reduced from 10.5 in 1913 to 4.5 in 1928, or 57 per cent reduction.
2. Crimes of violence have dropped from an average of .628 per 1000 for 1911, 1912 and 1913, to .327 in 1926, a decline of 48 per cent.
3. Per capita consumption of spirits has gone down 35 per cent, from 6.9 litres in 1913 to 4.5 in 1927.
4. The income of the state from intoxicants has doubled.

As the Bratt system is now administered, a Royal Board of Control, appointed by the King, has supreme jurisdiction over the liquor traffic. The manufacture, importation and wholesale distribution of intoxicants are handled by a limited dividend corporation, known as the "Vin & Spritcentralen," whose surplus profits go to the state. The dividends of this corporation are limited to 7 per cent per annum. Retail distribution is handled by 122 separate and independent private corporations, known as "Systemen," whose dividends are limited to 5 per cent on the actual investment and whose surplus profits accrue to the state.

The Systemen issue to individuals "motboks" calling for various fixed monthly allowances of spirits, subject to regulations laid down by the Royal Board

of Control. A motbok serves as a permit to buy liquor in only one store, complete records of every individual in the district being kept at the local System Company office.

The cases of flagrant abusers of alcohol are taken under consideration by Parish Temperance Boards or Guardians of the Poor, and extreme types are referred to the County Council, which, in turn, remands then to the Social Board for corrective care in drunkards' asylums. Blind pigs, speakeasies and similar clandestine resorts for sale of spirits by the glass, which are common in Prohibition countries, are nonexistent in Sweden.

Although the population of Sweden has risen from 5,621,388 in 1913 to 6,081,146 in 1927, according to government estimates, the consumption of proof spirits has dropped in that period from 38,700,000 litres to 27,300,000, or a per capita reduction from 6.9 to 4.5 litres. (One litre equals 1.05671 American quarts.) Consumption of wine has risen from 4,127,000 litres in 1920 to 5,568,000 in 1928.

In connection with consumption statistics, it should be borne in mind that *the Bratt system aims primarily at the suppression of harmful drinking,* with its attendant social evils, rather than horizontal reduction in the use of intoxicating beverages. As in the more recent Canadian systems of government control, the Swedish regulations have been drawn up with a view toward curbing excessive drinking of spirits. Beer, being limited to an alcoholic content of 3.2 per cent by weight, is not recognized under the law as an intoxicant, while wine is sold to holders of passbooks without limitation of the maximum quantity that can be bought.

Official tabulations of convictions for drunkenness show that the total number for all Sweden has

dropped from 58,910, in 1913 to 27,717 in 1928, or from 10.5 per 1,000 inhabitants to 4.5.

Allowing for the increase in population, it is found that alcoholic insanity, chronic alcoholism and crimes of violence attributable to excessive drinking have dropped far below the pre-war level. Alcoholic insanity has decreased 66 per cent since the Bratt system was adopted. In Stockholm the number of alcoholic patients registered with dispensary physicians has decreased 87 per cent, while those actually treated in the hospitals for drunkards have decreased 75 per cent. Crimes of violence have declined 75 per cent throughout Sweden, and 60 per cent in Stockholm.

The Swedish governments direct income from trade in alcoholic products is derived from the following sources:

(1) The manufacturing tax on domestic brandy, which is not levied on brandy for industrial or scientific use; (2) a malt tax; (3) import duties on spirits and wine; (4) a tax on spirits sold by the glass; (5) a tax on turnover, amounting to 55 per cent of the amount paid by the system companies for all spirits; the levy is exclusive of sales tax; (6) the net profit of the wholesales companies and the system companies.

In 1928 the state revenues from these sources amounted to more than $27,000,000 as follows (computing the Swedish crown at par value, 26.8 cents):

Malt tax	$ 4,447,021.82
Brandy tax	3,775,331.54
Import duties	2,488,085.47
Tax on turnover and sales by the glass	10,192,044.82
Profits of system companies	4,889,881.64
Profits on wholesale companies	2,091,037.57
Total	$27,883,402.86

The annual total, which has averaged approximately $27,000,000 for the years 1923-1927, makes up about one-sixth of the actual revenues of the Swedish government. In addition, the national treasury collects property and income taxes from both system and wholesale companies. The average annual return from that source for the last six years has been $2,380,000. *Thus the total revenues of the government from lawful liquor trade exceed* $30,000,000 *a year.*

Liquor revenues are disbursed in three directions —for the national budget, for a special fund with which to meet any contingencies relating to liquor traffic, and for amortization of the national debt. In the current fiscal year, approximately $21,172,000 will go to the national budget.

ANDERSON PLAN

One of the criticisms levied against the National Commission in its Report on Law Observance and Enforcement relative to the prohibition question was its failure to arrive at definite conclusions and to present a constructive remedy for the recognized defects in the prohibition law and its enforcement. In this respect the report was disappointing to the country at large. However, there are certain outstanding facts and conclusions which the members of the Commission are agreed upon, to-wit: (1) That the 18th Amendment should not be repealed; (2) that the legalized saloon should not be restored; (3) that the 18th Amendment has not been adequately observed or enforced; (4) that the 18th Amendment can not be enforced without the cooperation of the states; (5) that the 18th Amendment, if modified, should be revised to read substantially as follows: "The Congress shall have power to regulate or to prohibit the

manufacture, traffic in or transportation of intoxicating liquors within, the importation thereof into, and the exportation thereof from the United States and all territory subject to the jurisdiction thereof, for beverage purposes;" and (6) that the Anderson Plan has been endorsed as a substitute for the present law by six of the eleven members of the Commission, provided the 18th Amendment shall be modified as above suggested.

In the following discussion of the Anderson Plan it is of interest to note that the above facts and conclusions (1 to 5, inclusive) are accepted as basically fundamental to a success of the plan. It is furthermore to be noted that the plan is similar in principle and in operation to that of the Bratt System (heretofore explained) and which has been so successfully enforced in Sweden for more than ten years. Briefly stated, the specific features or principles underlying the Anderson Plan are as follows:

1. That the 18th Amendment is to be modified or revised substantially in the manner heretofore stated.

2. That Congress shall create a bipartisan National Commission on liquor control with full power to regulate and control the manufacture, importation, exportation, transportation and sale of intoxicating liquors for beverage purposes.

3. That Congress shall create a National Corporation for the purpose of the plan, all of the stock of which shall be privately owned. Such corporation shall be vested with the exclusive right and power (subject to the control and regulation of the National Commission) of manufacturing, importing, exporting, transporting and selling alcoholic liquors for beverage purposes as well as for medicinal and sacramental purposes. The dividends upon the capital stock of said corporation shall be limited to not less than

five (5%) per cent nor more than seven (7%) per cent. All earnings of the corporation in excess of the permitted return and amortization fund shall be paid into the treasury of the United States.

4. All alcoholic beverages in excess of one-half of one per cent alcoholic content by volume shall be manufactured and sold by the National Corporation. The Commission shall have authority to prescribe the alcoholic content of the various kinds and grades of liquor. All alcoholic liquors so manufactured or produced shall be placed in bonded warehouses of the corporation. Before shipment thereof, each container shall bear a label of the corporation of the kind, amount and alcoholic content of the liquor contained therein certified to by the corporation. The corporation shall only make sales and shipment of such liquors in those states wherein a Corporate Agency has been created by such states. These several Corporate State Agencies shall be similar in general character to the National Corporation for the purpose of purchase, distribution and sale within those states. If any state at its own option elects not to adopt the national system, then such state may establish or continue Prohibition within its own borders, in which event, however, it will be required to enforce its own laws within the state. The federal law will not permit sales or shipment into any such state by the national corporation. If a state elects to go into the national system, it can create a state commission and a state corporation similar in character, as above stated, to the national corporation. The state agency or state corporation will be required to conform in general outline to the plan provided by the National Commission in order to insure uniformity throughout the country as to matters of general consequence, but as to local questions they would be subject entirely to

state control and can be easily adapted to the varied social and economic conditions within the state.

5. Sales will be limited to persons holding license books which would be issued by the State Agencies nearest the fixed abode or voting place of the holder under the regulations of the Commission. The holder will be required to sign an agreement in this book to account for the purchases made thereunder at any time on request and to the satisfaction of the State Corporation or State Commission. The amount of alcoholic liquors will be limited to a reasonable quantity in any month. Upon conviction or violation of the law for drunkenness or other cause provided by law, the license book would be cancelled for such time as might be prescribed. The aim and purpose of all state and national regulations are to restrict sales and use as far as can be done without leaving a possible demand which could be supplied at a profit by the bootlegger. The theory and purpose of the plan is to drive the illicit producer and trader out of business and keep them out by directing against them the force of the law of supply and demand, and fixing prices with which they cannot possibly compete.

6. All excess revenues received from the operation of the national corporation shall go into the federal treasury and those from the operation of the state corporation and its branches shall go into the state treasury. These revenues, which now go entirely to the lawless and criminal classes, would undoubtedly be very large. It is the purpose of the plan to have Congress dispose of these excess revenues for educational purposes, especially as to the evils resulting from the use of alcoholic beverages and for the eradication and prevention of those conditions which cause excessive drinking or which tend to create a demand for intoxicating beverages.

The principle underlying the Anderson Plan, except to the specific use of excess profits, is to be found in our present system of the government's regulation of the railroads and in the Federal Reserve Banking System. The practical operation of the plan is simple enough. All liquor imported or produced would become the property of the National Corporation and would be placed in bonded warehouses at convenient points under strict governmental regulation and control. Accurate accounts thereof would be kept as prescribed by the Commission. All liquors are to be sold and transported only to State Agencies under seal of the national corporation. There would be no leakage in this process because (1) the employees of the corporation would be bonded, (2) the product would have to be accounted for to the Commission, and (3) there would be no demand for or profit in illegal liquor so long as a reasonable supply could be obtained legally. Smuggling and illicit production would end since no one would buy bootleg liquor of doubtful quality at high prices when good liquor could be obtained at fair prices. When the liquor reaches the State Agency it must be sold only under national and state regulations. Sales are to be made only to holders of permits or license books. These books would be issued under regulation of the State Commission with safeguards against transfer or improper use and would be subject to cancellation for any violation of the laws or regulations. The amount which any holder could purchase, especially of high alcoholic content liquor, would be limited as far as it is possible to do so without opening a demand for an illegal supply. The holder would be required to sign an agreement to account for all purchases made by him. The amount purchased would be entered into the book and the entry signed by bonded employees of the corporation.

The liquor so purchased would be in the original package or container of the National Corporation bearing its seal. The prices to the purchaser would be fixed from time to time by the State Commission to meet existing local conditions subject to adjustment by the National Commission for the purpose of general uniformity throughout the Nation.

If a state elects to continue Prohibition it can do so, in which event it would be required to enforce its own prohibition laws within that state. Full protection, however, would be provided by Congress against shipment of liquor from without the state.

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